THE DEVOLUTION OF THE PERSONAL PROPERTY OF ENGLISH CORPORATIONS ON DISSOLUTION. — The ancient rule of the common law probably was that upon the dissolution of a corporation its personal property went to the crown as *bona vacantia*.[1] In 1898 it was held by the Court of Queen's Bench, in a well considered opinion, that the right of a corporation to prove for a debt against a bankrupt's estate passed to the crown upon the corporation's dissolution.[2] This confirmed what was commonly supposed to be the law as to personalty in general, though there had previously been a widespread [3] and probably erroneous [4] idea that a corporation's choses in action died with it. In 1903 we find an apparent departure from the law as laid down in the Queen's Bench. A corporation which owned the mortgage of a leasehold, went into voluntary liquidation and contracted to sell all its assets to a second corporation. By mistake no assignment of the mortgage was executed, although the price had been received. The vendor corporation was then dissolved and later the vendee corporation petitioned the court of chancery for an order vesting in it the mortgage. Farwell, J., in an opinion only six lines long, and making no reference to a possible right of the crown, granted the petition.[5] In the following year this was explicitly overruled by a second chancery case. Here a corporation contracted to sell a patent and received the consideration, but was dissolved before assignment. It was held that no trustee of the patent could be appointed, the court apparently going on the theory that the right returned to the crown, which could not be charged as trustee or otherwise interfered with under the statute.[6] If the matter had rested here, the law would have seemed plain enough; but the whole question has been thrown into uncertainty again by a third chancery case, the facts of which are similar to those on which Mr. Justice Farwell's order was based, except that a leasehold instead of the mortgage thereof was the *res*. Here an order was made vesting the lease in a new trustee to hold for the purchaser in place of the defunct corporation. *Re No. 9, Bamare Road*, [1906] 1 Ch. 359. This case is contrary to the weight of preëxisting authority and appears to be based in part on a supposed analogy to a well known decision of earlier date where the corporation was in fact a native of Hanover, so that its property could not be expected to pass on dissolution to the English crown.[7] Still, the result of the principal case is just and accords well with the spirit of modern jurisprudence. It may be noted in passing that in the two cases cited, where the crown's right was not recognized, the *res* were chattels real, and that real estate proper was never supposed to pass to the crown.[8] This question is of little importance in the United States owing to omnipresent statutes providing for receivers,[9] and in England occurs only in the case of assets discovered after the termination of the winding-up proceedings.[10]

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1 See 2 Kyd, Corp. 516. *Cf.* statements of counsel arguing in Colchester *v.* Scafer, 3 Burr, 1866, 1868. See 2 HARV. L. REV. 164.

2 *Re* Higgins and Dean, 79 L. T. R. 673. *Cf.* 12 HARV. L. REV. 558.

3 See 1 Bl. Com. 484.

4 See Naylor *v.* Brown, Cas. t. Finch 83. See 2 HARV. L. REV. 165.

5 *Re* General, etc., Co., Ltd., [1904] 1 Ch. 147. The same judge has since made another order of like nature. *Re* Richard Mills & Co., Ltd., [1905] W. N. 36.

6 *Re* Taylor's Agreement Trusts, [1904] 2 Ch. 737. See Lewin, Trusts, 9th ed., 28, 29.

7 King of Hanover *v.* Bank of England, L. R. 8 Eq. 350.

8 See 1 Bl. Com. 484.

9 See 12 HARV. L. REV. 558. See also Morawetz, Private Corp., 2d ed., 990.

10 See Companies Winding-up Act, 1890.